

TOWN OF ROSEPINE, LOUISIANA
ANNUAL FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITOR'S REPORT

JUNE 30, 2013

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INDEPENDENT AUDITOR'S REPORT

The Honorable Donna Duval, Mayor
and Members of the Board of Aldermen
Town of Rosepine
State of Louisiana

Report on the Financial Statements

I have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund of the Town of Rosepine, Louisiana, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express opinions on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Opinions

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities and each major fund of the Town of Rosepine, Louisiana as of June 30, 2013, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, and budgetary comparison information, on pages 40-42 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. My opinion on the basic financial statements is not affected by this missing information.

Other Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Rosepine, Louisiana's basic financial statements. The schedule of per diem paid to board members is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The schedule of per diem paid to board members is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain addition procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the schedule of per diem paid to board members is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report dated October 2, 2013, on my consideration of the Town of Rosepine, Louisiana's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on

The Honorable Donna Duval, Mayor
and Members of the Board of Aldermen
Town of Rosepine, Louisiana
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compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Rosepine, Louisiana's internal control over financial reporting and compliance.

A handwritten signature in black ink, reading "J. M. Windham, CPA". The signature is written in a cursive, flowing style.

DeRidder, Louisiana
October 2, 2013

BASIC FINANCIAL STATEMENTS

Statement of Net Position
June 30, 2013

	Primary Government		
	Governmental	Business-type	
	Activities	Activities	Total
ASSETS			
Cash and cash equivalents	\$ 123,081	\$ 957,372	\$ 1,080,453
Receivables:			
Franchise taxes	14,559	-	14,559
Sales taxes	16,858	-	16,858
Hotel/motel taxes	11,236	-	11,236
Accounts	750	63,190	63,940
Occupational licenses	205	-	205
Due from other funds	-	79,853	79,853
Restricted assets	67,849	119,601	187,450
Non-depreciable capital assets	274,803	232,542	507,345
Depreciable capital assets - net	2,036,965	1,331,493	3,368,458
Total assets	<u>\$ 2,546,306</u>	<u>\$ 2,784,051</u>	<u>\$ 5,330,357</u>
LIABILITIES			
Accounts payable	\$ 10,765	\$ 9,840	\$ 20,605
Contracts payable	-	32,293	32,293
Salaries and related benefits payable	8,893	3,891	12,784
Due to other funds	79,853	-	79,853
Accrued interest payable	1,479	8,442	9,921
Customer deposits	-	47,913	47,913
Long term liabilities:			
Due within one year	44,506	40,000	84,506
Due in more than one year	161,982	935,000	1,096,982
Total liabilities	<u>\$ 307,478</u>	<u>\$ 1,077,379</u>	<u>\$ 1,384,857</u>
NET POSITION			
Net investment in capital assets	\$ 2,105,280	\$ 1,139,035	\$ 3,244,315
Restricted for:			
Bond retirement	38,722	38,866	77,588
Sales taxes	74,783	-	74,783
Unrestricted	20,043	528,771	548,814
Total net position	<u>\$ 2,238,828</u>	<u>\$ 1,706,672</u>	<u>\$ 3,945,500</u>
Total liabilities and net position	<u>\$ 2,546,306</u>	<u>\$ 2,784,051</u>	<u>\$ 5,330,357</u>

The accompanying notes are an integral part of this statement.

Statement of Activities
For the Year Ended June 30, 2013

		Program Revenues			Net (Expenses) Revenues and Changes in Net Position		
		Fees, Fines and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Program Activities	Expenses						
Governmental activities:							
General government and administration	\$ 164,463	\$ -	\$ -	\$ -	\$ (164,463)	\$ -	\$ (164,463)
Public safety	241,377	183,402	42	-	(57,933)	-	(57,933)
Public works	81,293	-	-	1,197	(80,096)	-	(80,096)
Interest on long term debt	11,111	-	-	-	(11,111)	-	(11,111)
Total governmental activities	<u>\$ 498,244</u>	<u>\$ 183,402</u>	<u>\$ 42</u>	<u>\$ 1,197</u>	<u>\$ (313,603)</u>	<u>\$ -</u>	<u>\$ (313,603)</u>
Business-type activities:							
Water and sewer	<u>\$ 514,240</u>	<u>\$ 610,640</u>	<u>\$ -</u>	<u>\$ 177,557</u>	<u>\$ -</u>	<u>\$ 273,957</u>	<u>\$ 273,957</u>
Total government	<u>\$ 1,012,484</u>	<u>\$ 794,042</u>	<u>\$ 42</u>	<u>\$ 178,754</u>	<u>\$ (313,603)</u>	<u>\$ 273,957</u>	<u>\$ (39,646)</u>
General revenues:							
Taxes:							
Ad valorem taxes					23,983	-	23,983
Sales taxes					153,383	-	153,383
Hotel/motel tax					30,145	-	30,145
Insurance premium tax					28,672	-	28,672
Franchise tax					68,852	-	68,852
Occupational licenses and permits					21,370	-	21,370
Investment earnings					479	736	1,215
Miscellaneous					944	-	944
Insurance proceeds					-	6,251	6,251
Sale of assets					4,212	-	4,212
Transfers					(55,631)	55,631	-
					<u>276,409</u>	<u>62,618</u>	<u>339,027</u>
					<u>(37,194)</u>	<u>336,575</u>	<u>299,381</u>
Net position at beginning of year					2,276,022	1,370,097	3,646,119
Net position at end of year					<u>\$ 2,238,828</u>	<u>\$ 1,706,672</u>	<u>\$ 3,945,500</u>

The accompanying notes are an integral part of the statement.

Balance Sheet
Governmental Funds
June 30, 2013

	General Fund	Major Fund Sales Tax Fund	Total
ASSETS			
Cash and cash equivalents	\$ 123,081	\$ -	\$ 123,081
Receivables:			
Franchise taxes	14,559	-	14,559
Sales taxes	-	16,858	16,858
Hotel/motel taxes	11,236	-	11,236
Accounts	750	-	750
Occupational license	205	-	205
Restricted cash	9,735	58,114	67,849
Total assets	<u>\$ 159,566</u>	<u>\$ 74,972</u>	<u>\$ 234,538</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 10,576	\$ 189	\$ 10,765
Salaries and related benefits payable	8,893	-	8,893
Due to other funds	79,853	-	79,853
Total liabilities	<u>\$ 99,322</u>	<u>\$ 189</u>	<u>\$ 99,511</u>
Fund Balances:			
Unassigned	\$ 50,509	\$ -	\$ 50,509
Restricted	9,735	74,783	84,518
Total fund balances	<u>\$ 60,244</u>	<u>\$ 74,783</u>	<u>\$ 135,027</u>
Total liabilities and fund balances	<u>\$ 159,566</u>	<u>\$ 74,972</u>	<u>\$ 234,538</u>

The accompanying notes are an integral part of this statement.

Reconciliation of the Governmental Fund Balance Sheet
to Statement of Net Position
June 30, 2013

Total fund balance - total governmental fund		\$ 135,027
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds balance sheets.		2,311,768
Long-term liabilities including bonds payable are not due and payable in the current period and, therefore, are not reported in the governmental funds.		
Accrued interest payable	\$ (1,479)	
Bonds payable	<u>(206,488)</u>	
		<u>(207,967)</u>
Net position of governmental activities		<u><u>\$ 2,238,828</u></u>

The accompanying notes are an integral part of this statement.

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Fund
For the Year Ended June 30, 2013

	General Fund	Major Fund Sales Tax Fund	Total
Revenues			
Taxes:			
Ad valorem	\$ 23,983	\$ -	\$ 23,983
Insurance premium tax	28,672	-	28,672
Franchise tax	68,852	-	68,852
Sales tax	-	153,383	153,383
Hotel/motel tax	30,145	-	30,145
Intergovernmental:			
Federal grants	42	-	42
State grants	1,197	-	1,197
Occupational licenses and permits	21,370	-	21,370
Investment income	298	181	479
Fines, forfeitures, and court fees	183,402	-	183,402
Other revenues	944	-	944
Total revenues	<u>\$ 358,905</u>	<u>\$ 153,564</u>	<u>\$ 512,469</u>
Expenditures			
Current operating:			
General government	\$ 151,802	\$ 3,248	\$ 155,050
Public safety	213,650	-	213,650
Public works	47,598	-	47,598
Debt service:			
Principal	46,132	-	46,132
Interest	11,304	-	11,304
Capital outlay	21,268	-	21,268
Total expenditures	<u>\$ 491,754</u>	<u>\$ 3,248</u>	<u>\$ 495,002</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (132,849)</u>	<u>\$ 150,316</u>	<u>\$ 17,467</u>
Other financing sources (uses)			
Transfer in	\$ 108,194	\$ -	\$ 108,194
Transfer out	-	(163,825)	(163,825)
Sale of assets	4,212	-	4,212
Total other financing sources (uses)	<u>\$ 112,406</u>	<u>\$ (163,825)</u>	<u>\$ (51,419)</u>
Net change in fund balance	\$ (20,443)	\$ (13,509)	\$ (33,952)
Fund balances at beginning of year	<u>80,687</u>	<u>88,292</u>	<u>168,979</u>
Fund balances at end of year	<u>\$ 60,244</u>	<u>\$ 74,783</u>	<u>\$ 135,027</u>

The accompanying notes are an integral part of this statement.

Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balance of the Governmental Fund to the
Statement of Activities

For the Year Ended June 30, 2013

Net change in fund balances - total governmental fund	\$	(33,952)
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Amounts reported for governmental activities in the
statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the government-wide statement of activities and changes in net position, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount of capital assets recorded in the current period.		21,268
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Depreciation expense on capital assets is reported in the government-wide statement of activities and changes in net position, but they do not require the use of current financial resources. Therefore, depreciation expense is not reported as an expenditure in governmental funds.		(70,835)
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The issuance of long-term debt (e.g. bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance cost, premiums, discounts, and similar items when debt is first issued, whereas the amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		46,132
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Accrued interest on long term debt is not shown in the governmental funds.		193
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Change in net position of governmental activities	\$	(37,194)
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The accompanying notes are an integral part of this statement.

Statement of Net Position
Proprietary Fund
June 30, 2013

	Business-type Activities - Enterprise Fund Water and Sewer
<u>Assets</u>	
Current assets	
Cash and cash equivalents	\$ 957,372
Receivables:	
Accounts	63,190
Due from other funds	79,853
Total current assets	<u>\$ 1,100,415</u>
Noncurrent assets	
Restricted cash and cash equivalents	\$ 87,308
Restricted grants receivable	32,293
Capital assets	
Non-depreciable capital assets	232,542
Depreciable capital assets - net	1,331,493
Total noncurrent assets	<u>\$ 1,683,636</u>
Total assets	<u><u>\$ 2,784,051</u></u>
<u>Liabilities</u>	
Current liabilities	
Accounts payable	\$ 9,840
Salaries payable and related benefits payable	3,891
Customer deposits payable	47,913
Total current liabilities	<u>\$ 61,644</u>
Liabilities payable from restricted assets	
Bonds payable	\$ 40,000
Contracts payable	32,293
Accrued interest payable	8,442
Total liabilities payable from restricted assets	<u>\$ 80,735</u>
Noncurrent liabilities	
Bonds payable	<u>\$ 935,000</u>
Total liabilities	<u>\$ 1,077,379</u>
<u>Net Position</u>	
Net Investment in capital assets	\$ 1,139,035
Restricted for:	
Bond retirement	38,866
Unrestricted	528,771
Total net position	<u>\$ 1,706,672</u>
Total liabilities and net position	<u><u>\$ 2,784,051</u></u>

The accompanying notes are an integral part of this statement.

Statement of Revenues, Expenses and Changes in Net Position
 Proprietary Fund
 For the Year Ended June 30, 2013

	Business-type Activities - Enterprise Fund <u>Water and Sewer</u>
Operating revenues	
Charges for services	\$ 610,640
Operating expenses	
Personal services	\$ 96,787
Supplies	33,613
Contractual services	210,132
Depreciation	107,943
Total operating expenses	<u>\$ 448,475</u>
Income (loss) from operations	<u>\$ 162,165</u>
Nonoperating revenues (expenses)	
Investment income	\$ 736
Interest expense	(20,886)
Insurance proceeds	6,251
Bond issuance cost	(44,879)
Total nonoperating revenues (expenses)	<u>\$ (58,778)</u>
Income (loss) before transfers	\$ 103,387
Transfers out	\$ (90,194)
Transfers in	145,825
Capital contributions	<u>177,557</u>
Change in net position	\$ 336,575
Net position at beginning of year	<u>1,370,097</u>
Net position at end of year	<u><u>\$ 1,706,672</u></u>

The accompanying notes are an integral part of this statement.

Statement of Cash Flows
Proprietary Fund
For the Year Ended June 30, 2013

	Business-type Activities - Enterprise Fund
	<u>Water and Sewer</u>
Cash flows from operating activities:	
Cash received from customers	\$ 596,529
Cash payments to suppliers for goods and services	(244,880)
Cash payments to employees for services	(96,502)
Net cash provided by operating activities	<u>\$ 255,147</u>
Cash flows from noncapital financing activities:	
Insurance proceeds	\$ 6,251
Transfers in	145,825
Transfers out	(90,194)
Due from other funds	(5,988)
Net cash used by noncapital and related financing activities	<u>\$ 55,894</u>
Cash flows from capital and related financing activities:	
Interest paid on debt	\$ (12,444)
Retirement of debt	(414,105)
Acquisition of fixed assets	(150,274)
Capital contributions received	145,264
Bond issue cost	(44,879)
Proceeds of new debt	975,000
Net cash used by capital and related financing activities	<u>\$ 498,562</u>
Cash flow from investing activities:	
Interest on cash and investments	<u>\$ 736</u>
Net increase (decrease) in cash and cash investments	\$ 810,339
Cash and Cash investments, July 1	234,341
Cash and Cash investments, June 30	<u>\$ 1,044,680</u>
	(Continued)

The accompanying notes are an integral part of this statement.

Statement of Cash Flows
 Proprietary Fund
 For the Year Ended June 30, 2013

	Business-type Activities - Enterprise Funds
	<u>Water and Sewer</u>
Reconciliation of income (loss) from operations to net cash provided by operating activities:	
Income from operations	\$ 162,165
Adjustments to reconcile income (loss) from operations to net cash provided by operating activities:	
Depreciation	\$ 107,943
Change in assets and liabilities:	
Increase in accounts receivable	(15,132)
Decrease in accounts payable	(1,135)
Increase in customer deposits payable	1,021
Increase in salaries payable	<u>285</u>
Net cash provided by operating activities	<u>\$ 255,147</u> (Concluded)

The accompanying notes are an integral part of this statement.

NOTES TO THE FINANCIAL STATEMENTS

Town of Rosepine, Louisiana
Notes to the Financial Statements
As of and for the Year Ended June 30, 2013

INTRODUCTION

The Town of Rosepine was incorporated under the provisions of the Lawrason Act. The Town operates under a Mayor-Board of Aldermen form of government.

The accounting and reporting policies of the Town of Rosepine conform to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:517 and to the guides set forth in the Louisiana Municipal Audit and Accounting Guide, and to the industry audit guide, Audits of State and Local Governmental Units.

The Town maintains various funds that provide services and benefits to its citizens including repairs and maintenance of approximately 7 miles of roads and streets, and water and sewer services to approximately 800 residents.

The Town is located within Vernon Parish in the southwestern part of the State of Louisiana and is comprised of approximately 1,700 residents. The governing board is composed of five elected aldermen that are compensated for regular and special board meetings. There are approximately seven employees who maintain the water and sewer systems, maintenance of streets, and handle the clerical work for the Town. The police department consists of an elected chief of police and approximately six patrolmen and a clerk.

GASB Statement No. 14, *The Reporting Entity*, established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the municipality is considered a primary government, since it is a special purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. As used in GASB Statement No. 14, fiscally independent means that the municipality may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the funds financial statements.

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Notes to the Financial Statements (Continued)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The municipality reports the following major governmental funds:

General Fund - The municipality's primary operating fund. It accounts for all financial resources of the general government, except for those in another fund.

Special Revenue Fund - Sales Tax Fund - to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specific purposes other than debt service or capital projects.

The municipality reports the following major proprietary fund:

The Proprietary Fund accounts for operations (a) where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges, or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the governments enterprise operations. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

The municipality has not established a policy for use of the unrestricted fund balance, therefore it considers committed fund balances to be used first, then assigned fund balances to be used next and finally the unassigned fund balance will be used.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Charges for services of providing water and sewer services to residents comprise the operating revenue of the Town's enterprise fund. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expense, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the municipality's policy to use restricted resources first, and then unrestricted resources as they are needed.

Notes to the Financial Statements (Continued)

C. Deposits and Investments

The municipality's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. State law and the municipality's investment policy allow the municipality to invest in collateralized certificates of deposits, government backed securities, commercial paper, the state sponsored investment pool, and mutual funds consisting solely of government backed securities.

D. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

The Town levies taxes on real and business personal property located within the boundaries of the Town. Property taxes are levied by the Town on property values assessed by the Vernon Parish Tax Assessor and approved by the State of Louisiana Tax Commission.

The Town of Rosepine bills and collects property taxes for the Town. The Town recognizes property taxes when received and any delinquent taxes are accrued at June 30, 2013.

Property Tax Calendar	
Assessment date	January 1, 2012
Levy date	June 30, 2012
Tax bills mailed	October 15, 2012
Total taxes due	December 31, 2012
Penalties & interest due	January 31, 2013
Lien date	January 31, 2013
Tax sale	May 15, 2013

For the year ended June 30, 2013 taxes of 4.46 mills were levied on property with an assessed valuation totaling \$5,369,540 and were dedicated as follows:

	Authorized Millage	Levied Millage	Expiration Date
Taxes due for:			Renewed
General corporate tax	4.46	4.46	Annually

All trade and property tax receivables are shown net of an allowance for uncollectibles. Property taxes are collected and remitted by the town, if taxes are not paid, a sheriff's sale is held and the property is sold to satisfy the taxes due on that property. Due to this, the majority, if not all property taxes are collected, therefore no allowance account for uncollectibles has been established. Water and sewer charges have customer deposits that have been collected in advance therefore the majority of all water and sewer billing is collected or taken out of the customer's deposit, any allowance account would be immaterial, therefore one has not been established.

Notes to the Financial Statements (Continued)

The following are the principal taxpayers and related property tax revenue for the municipality:

<u>Taxpayer</u>	<u>Type of Business</u>	<u>Assessed Valuation</u>	<u>% of Total Assessed Valuation</u>	<u>Ad Valorem Tax Revenue for Municipality</u>
171 Nissan	Auto Dealer	\$ 576,970	10.74%	\$ 2,573
Hwy Ford	Auto Dealer	307,450	5.73%	1,371
Vernon Company, L.L.C.	Nursing Center	312,060	5.81%	1,392
Total		<u>\$ 1,196,480</u>	<u>22.28%</u>	<u>\$ 5,336</u>

Sales Taxes

The Town of Rosepine receives a one-percent sales and use tax, for a period of forty years beginning January 1, 2012 and ending December 31, 2051, the revenues derived from said sales and use tax to be dedicated and used for the purpose of constructing, acquiring, extending, improving, operating and maintaining the sanitary sewer system for the Town.

The Town of Rosepine also receives a one half-percent sales and use tax for a period of twenty-five years beginning January 1, 2012 and ending December 31, 2036, the revenues derived from said sales and use tax to be dedicated and used for the purpose of improving streets, water improvements and maintenance, sanitary sewer improvements and maintenance, and economic development activities of the Town.

E. Restricted Assets

Certain proceeds of enterprise fund revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants.

Bond sinking funds - The Utility Revenue Refunding Bonds dated March 27, 2013, Series 2013A and the Utilities Revenue Bonds dated March 27, 2013, Series 2013B require a deposit to each of the sinking funds monthly on or before the 20th calendar day of each month commencing March 20, 2013, a sum equal to one-sixth (1/6) of the interest on the bonds due on the next interest payment date, and one-twelfth (1/12) of principal of the bond due on the next maturity date.

Bond reserve funds - The Utility Revenue Refunding Bonds dated March 27, 2013, Series 2013A and the Utilities Revenue Bonds dated March 27, 2013, Series 2013B require a deposit to a reserve fund monthly on or before the 20th calendar day of each month commencing March 20, 2013, a sum (rounded up to the nearest dollar) at least equal to five percent (5%) of the amount to be paid into the sinking funds provided for above, said payments into the reserve fund to continue until such time as there has been accumulated in the reserve fund a sum equal to the reserve fund requirement.

Cash collected from sales taxes which are dedicated to the maintenance of the sewer system are classified as restricted assets.

Grant revenues that have stipulations by the grantor for use of the funds are shown as restricted assets.

F. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The municipality maintains a threshold level of \$5,000 or more for capitalizing capital assets.

According to GASB 34 the Town of Rosepine was not required to retroactively report infrastructure assets in its financial statements, therefore, these assets have not been reported in the financial statements.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Notes to the Financial Statements (Continued)

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. The total interest expense included during the current fiscal year was \$32,190. No interest was included as part of the cost of capital assets under construction in connection with the Town's construction projects.

All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Roads, bridges, and infrastructure	40-50 years
Land improvements	40-50 years
Buildings and building improvements	40-50 years
Furniture and fixtures	5-15 years
Vehicles	5-10 years
Equipment	3-15 years

G. Compensated Absences

The municipality has the following policy relating to vacation and sick leave:

Each fulltime and permanent municipal employee shall earn annual vacation and sick leave as follows:

Vacation

- Five (5) days with pay after one (1) year employment.
- Ten (10) days with pay after three (3) years employment.
- Fifteen (15) days with pay after six (6) years employment.
- Twenty (20) days with pay after nine (9) years employment.

Vacation days cannot be carried over from year to year.

The least amount of vacation taken at one time is one half (1/2) day.

Employees required to work on an observed holiday shall receive compensatory time off in the sanitation department or overtime pay. Holidays observed by the municipality shall not be counted as vacation leave.

Employees may not take pay instead of time off.

Leave from work with pay may be charged as sick leave if the absence is due to sickness, bodily injury, quarantine, required physical or dental examinations, or treatment, exposure to a contagious disease when continued work might jeopardize the health of others, illness in the immediate family of the employee which requires the care of the employee. All such absences, except those resulting from intemperance or immorality, shall be charged against the sick leave credit of the employee.

Each employee shall earn one (1) day for each month worked, provided, however no employee may accumulate more than ten (10) days of sick leave per year nor accumulate more than thirty (30) days of sick leave overall.

The least amount of time taken for sick leave is one half (1/2) day.

Sick leave may not be accumulated for an indefinite period, and there is no maximum amount of sick leave, which may be accumulated.

The mayor shall determine when a certificate from a doctor is required to substantiate the necessity of sick leave.

There will be no pay for unused leave upon resignation or retirement of an employee.

Sick leave may not be granted for maternity leave.

Notes to the Financial Statements (Continued)

H. Long-Term Obligations

In the government-wide financial statements, and the proprietary fund type in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as debt service expenses.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

I. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events within the control of the municipality, which are either unusual in nature or infrequent in occurrence.

J. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

K. Fund Balances

Restricted Amounts that are restricted to a specific purpose should be reported as *restricted fund balance*. Fund balance should be reported as restricted when constraints placed on the use of resources are either:

- a. Externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or
- b. Imposed by law through constitutional provisions or enabling legislation.

Unassigned Unassigned fund balance is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund.

L. Restricted Net Asset

For government-wide statements of net position, net position are reported as restricted when constraints placed on net asset use either:

1. externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; and
2. imposed by law through constitutional provisions or enabling legislation.

Notes to the Financial Statements (Continued)

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

BUDGET INFORMATION The municipality uses the following budget practices:

1. The Town Clerk and Mayor prepare a proposed budget and submit same to the Board of Aldermen no later than fifteen days prior to the beginning of each fiscal year.
2. A summary of the proposed budget is published and the public notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
3. A public hearing is held on the proposed budget at least ten days after the publication of the call for the hearing.
4. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of an ordinance prior to the commencement of the fiscal year for which the budget is being adopted.
5. Budgetary amendments involving the transfer of funds from one department, program or function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated require the approval of the Board of Aldermen. These amended amounts are shown in the financial statements.
6. All budgetary appropriations lapse at the end of each fiscal year.
7. The budgets for the General Fund and Special Revenue Fund are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are originally adopted, or amended from time to time by the Board of Aldermen.

EXCESS OF EXPENDITURES OVER APPROPRIATIONS The following individual fund had actual expenditures over budgeted appropriations for the year ended June 30, 2013:

<u>Fund</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>
Sales Tax Fund	\$ 2,104	\$ 3,000	\$ 3,248	\$ 248

3. CASH AND CASH EQUIVALENT

At June 30, 2013 the municipality has cash and cash equivalents (book balances) totaling \$1,235,610 as follows:

Louisiana Asset Management Pool (LAMP)	\$ 135,397
Interest bearing demand deposits	1,035,542
Demand deposits	100
Petty cash	500
Money market investment accounts	64,071
Total	<u>\$ 1,235,610</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

Notes to the Financial Statements (Continued)

At June 30, 2013, the municipality has \$1,097,774 in deposits (collected bank balances). These deposits are secured from risk by \$250,100 of federal deposit insurance and \$847,674 of pledged securities held in a holding or custodial bank in the name of the fiscal agent bank (GASB Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, R.S. 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the municipality that the fiscal agent has failed to pay deposited funds upon demand. Other items concerning cash and cash equivalents are located at Note 1C.

The Town also had invested \$135,397 in the Louisiana Asset Management Pool (LAMP), a local government investment pool. In accordance with GASB Codification Section 150.126, the investment in LAMP as of June 30, 2013 is not categorized in the three risk categories provided by GASB Codification Section 150.125 because the investment is in the pool of funds and therefore not evidenced by securities that exist in physical or book entry form.

LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations which local governments in Louisiana are authorized to invest in accordance with LSA – R.S. 33:2955.

GASB Statement No. 40 Deposit and Investment Risk Disclosure, requires disclosure of credit risk, custodial credit risk, concentration of credit risk interest rate, and foreign currency risk for all public entity investments.

LAMP is a 2a7- like investment pool. The following facts are relevant for 2a7- like investment pools:

- Credit risk: LAMP is rated AAAM by Standard & Poor's.
- Custodial credit risk: LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.
- Concentration of credit risk: Pooled investments are excluded from the 5 percent disclosure requirement.
- Interest rate risk: LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 60 days, and consists of securities with a maturity in excess of 397 days. The WAM for LAMP's total investments is 75 days as of June 30, 2013.
- Foreign currency rate: Not applicable to 2a7- like pools.

The investments in LAMP are stated at fair value based on quoted market rates. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the net asset value of the pool share.

LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company.

If you have any questions, please feel free to contact the LAMP administration office at 800-249-5267.

Notes to the Financial Statements (Continued)

4. RECEIVABLES

The receivables of \$139,091 at June 30, 2013, are as follows:

<u>Class of Receivable</u>	<u>General Fund</u>	<u>Proprietary Fund</u>	<u>Sales Tax Fund</u>	<u>Total</u>
Taxes:				
Franchise	\$ 14,559	\$ -	\$ -	\$ 14,559
Sales taxes	-	-	16,858	16,858
Occupational license	205	-	-	205
Accounts	750	63,190	-	63,940
Hotel/motel taxes	11,236	-	-	11,236
Federal grant	-	32,293	-	32,293
Total	<u>\$ 26,750</u>	<u>\$ 95,483</u>	<u>\$ 16,858</u>	<u>\$ 139,091</u>

5. INTERFUND RECEIVABLES/PAYABLES

The following due to/from balances exists due to payments made out of one fund that relate to the other fund. The balance in each respective due to/from account is not expected to be paid within the current year.

<u>Due from General Fund</u>	<u>Due to Proprietary Fund</u>
<u>\$ 79,853</u>	<u>\$ 79,853</u>

Notes to the Financial Statements (Continued)

6. CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended June 30, 2013, for the primary government is as follows:

	Beginning Balance	Increase	Decrease	Ending Balance
Governmental activities:				
Capital assets, not being depreciated				
Land	\$ 215,350	\$ -	\$ -	\$ 215,350
Work in progress	56,623	2,830	-	59,453
Total capital assets, not being depreciated	271,973	2,830	-	274,803
Capital assets being depreciated				
Buildings	765,186	-	-	765,186
Improvements other than buildings	1,669,324	18,438	-	1,687,762
Machinery and equipment	153,087	-	-	153,087
Vehicles	115,469	-	-	115,469
Total capital assets being depreciated	2,703,066	18,438	-	2,721,504
Less accumulated depreciation for:				
Buildings	38,775	15,922	-	54,697
Improvements other than buildings	359,374	33,705	-	393,079
Machinery and equipment	143,437	4,347	-	147,784
Vehicles	72,118	16,861	-	88,979
Total accumulated depreciation	613,704	70,835	-	684,539
Total capital assets being depreciated, net	\$ 2,089,362	\$ (52,397)	\$ -	\$ 2,036,965
	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets, not being depreciated				
Land	\$ 29,945	\$ -	\$ -	\$ 29,945
Work in progress	36,075	166,522	-	202,597
Total capital assets-not being depreciated	66,020	166,522	-	232,542
Capital assets being depreciated				
Buildings	6,000	-	-	6,000
Utility plant and improvements	3,659,227	15,009	-	3,674,236
Machinery and equipment	52,485	-	-	52,485
Vehicles	50,427	-	-	50,427
Total capital assets being depreciated	3,768,139	15,009	-	3,783,148
Less accumulated depreciation for:				
Buildings	5,225	300	-	5,525
Utility plant and improvements	2,283,720	97,348	-	2,381,068
Machinery and equipment	15,993	5,514	-	21,507
Vehicles	38,773	4,782	-	43,555
Total accumulated depreciation	2,343,711	107,944	-	2,451,655
Total business-type assets being depreciated, net	\$ 1,424,428	\$ (92,935)	\$ -	\$ 1,331,493

Town of Rosepine, Louisiana

Notes to the Financial Statements (Continued)

Depreciation expense of \$70,835 for the year ended June 30, 2013, was charged to the following governmental functions:

Public works	\$ 33,695
Public safety	27,727
General administration	9,413
Total	<u>\$ 70,835</u>

7. CONSTRUCTION COMMITMENTS

The municipality has active construction projects as of June 30, 2013. The Town is in process of constructing new sidewalks for its streets. At year-end the commitments with contractors are as follows:

Project	Spent to Date	Remaining Commitment
Generator project	\$ 59,453	\$ 262,997
Sidewalk project	202,598	13,422

8. INTERFUND TRANSFERS

	Transfers in	Transfers out
General fund	\$ 108,194	\$ -
Proprietary fund	145,825	90,194
Sales tax fund	-	163,825
Total	<u>\$ 254,019</u>	<u>\$ 254,019</u>

Transfers of \$90,194 from the utility fund to the general fund were used to provide operating capital for the general fund. Sales tax transfers to the general fund and proprietary fund are transferred according to statute.

9. ACCOUNTS, SALARIES, AND OTHER PAYABLES

The payables of \$ 122,037 at June 30, 2013 are as follows:

	General Fund	Proprietary Fund	Sales Tax Fund	Total
Accounts	\$ 10,576	\$ 9,840	\$ 189	\$ 20,605
Contracts	-	32,293	-	32,293
Salaries and related benefits	8,893	3,891	-	12,784
Accrued interest	-	8,442	-	8,442
Customers deposits	-	47,913	-	47,913
Total	<u>\$ 19,469</u>	<u>\$ 102,379</u>	<u>\$ 189</u>	<u>\$ 122,037</u>

Notes to the Financial Statements (Continued)

10. LONG-TERM OBLIGATIONS

The following is a summary of the long-term obligation transactions for the year ended June 30, 2013.

	Bonded Debt	Governmental Fund		
		Certificates of Indebtedness	Bonded Debt	Notes Payable
				Total
Long-term obligations at beginning of year	\$ 414,105	\$ 57,000	\$ 168,000	\$ 27,620
Additions	975,000	-	-	-
Principal payments	(414,105)	(28,000)	(8,000)	(10,132)
Long-term obligations at end of year	\$ 975,000	\$ 29,000	\$ 160,000	\$ 17,488

The following is a summary of the current (due in one year or less) and the long-term (due in more than one year) portions of long-term obligations as of June 30, 2013

	Proprietary Fund Bonded Debt	Governmental Fund		
		Certificates of Indebtedness	Notes Payable	Bonded Debt
				Total
Current portion	\$ 40,000	\$ 29,000	\$ 7,506	\$ 8,000
Long-term portion	935,000	-	9,982	152,000
Total	\$ 975,000	\$ 29,000	\$ 17,488	\$160,000

Town of Rosepine, Louisiana

Notes to the Financial Statements (Continued)

All municipal bonds outstanding at June 30, 2013, for \$1,135,000 are revenue bonds with maturities from 2007 to 2033 and interest rates at 2.00% to 4.85%. Bond principal and interest payable in the next fiscal year are \$48,000 and \$38,145 respectively. The individual issues are as follows:

<u>Bonds</u>	<u>Original Issue</u>	<u>Interest Rate</u>	<u>Final Payment Due</u>	<u>Interest to Maturity</u>	<u>Principal Outstanding</u>	<u>Funding Source</u>
Utilities Revenue Refunding Bonds	3/27/2013	2.00% to 4.00%	3/1/2033	\$ 169,739	\$ 425,000	Water revenues
Utilities Revenue Bonds	3/27/2013	2.00% to 4.00%	3/1/2033	\$ 242,133	\$ 550,000	Water revenues
Certificate of Indebtedness	5/1/2004	2.75% to 4.00%	5/1/2014	\$ 1,160	\$ 29,000	General revenues
Municipal Building Bonds	1/10/2008	4.85%	5/1/2027	\$ 64,117	\$ 160,000	General revenues
Note Payable	10/1/2011	5.50%	9/1/2015	\$ 1,144	\$ 17,488	General revenues

<u>Year Ending June 30,</u>	<u>Principal Payments</u>	<u>Interest Payments</u>	<u>Total</u>
2014	\$ 84,506	\$ 36,199	\$ 120,705
2015	56,930	39,673	96,603
2016	51,051	38,104	89,155
2017	50,000	36,849	86,849
2018	50,000	35,564	85,564
2019-2023	272,000	156,598	428,598
2024-2028	312,000	97,706	409,706
2029-2033	305,000	37,600	342,600
Total	<u>\$ 1,181,487</u>	<u>\$ 478,293</u>	<u>\$ 1,659,780</u>

In accordance with R.S. 39:562, the municipality is legally restricted from incurring long-term bonded debt in excess of 35% of the assessed value of taxable property. At June 30, 2013, the statutory limit is \$1,879,339 and outstanding bonded debt totals \$1,135,000.

Notes to the Financial Statements (Continued)

On March 27, 2013 the Town issued \$425,000 in Utility Revenue Refunding Bonds Series 2013A and \$550,000 in Utility Revenue Bonds Series 2013B with interest rates from 2.00% to 4.00%. The Utility Revenue Refunding Bonds Series 2013A will refund \$404,601 of outstanding 1995 series bonds with an interest rate of 5.50%.

Although the refunding resulted in the recognition of an accounting loss of \$26,445 for the year ending June 30, 2013, the Town in effect reduced its aggregate debt service payments by almost \$109,514 over the next twenty years and obtained an economic gain (difference between the present values of the old and new debt service payments) of \$26,802.

Table 1 shows the debt service schedule of the new debt and its present value, and indicates how the effective interest rate is calculated.

Table 2 shows the debt service schedule of the old debt and its present value calculated at the effective interest rate.

SOURCES AND USES OF FUNDS

The expected sources and uses of funds are as follows:

Par Amount of Series 2013A Bonds	\$ 425,000
Transfer from prior reserve fund	34,147
Original Issue Discount	(2,825)
Total Sources	<u>\$ 456,322</u>
Refund Refunded Bonds	\$ 399,683
Deposit to Debt Service Reserve Fund	31,363
Costs of Issuance (Including Underwriters Discount)	25,276
Total Uses	<u>\$ 456,322</u>

Town of Rosepine, Louisiana

Notes to the Financial Statements (Continued)

Table 1
Debt Service Requirements of the New Debt and
Calculation of the Effective Interest Rate

Date	Principal	Interest Rate	Interest	Debt Service Requirements	Present Value	
3/27/2013	\$ -	-	\$ -	\$ -	\$ -	
9/1/2013			5,989	5,989	5,860	1
3/1/2014	20,000	2.000%	7,000	27,000	25,847	2
9/1/2014			6,800	6,800	6,369	3
3/1/2015	20,000	2.000%	6,800	26,800	24,561	4
9/1/2015			6,600	6,600	5,918	5
3/1/2016	20,000	2.000%	6,600	26,600	23,337	6
9/1/2016			6,400	6,400	5,494	7
3/1/2017	20,000	2.000%	6,400	26,400	22,173	8
9/1/2017			6,200	6,200	5,095	9
3/1/2018	20,000	2.000%	6,200	26,200	21,065	10
9/1/2018			6,000	6,000	4,720	11
3/1/2019	20,000	3.250%	6,000	26,000	20,012	12
9/1/2019			5,675	5,675	4,274	13
3/1/2020	20,000	3.250%	5,675	25,675	18,919	14
9/1/2020			5,350	5,350	3,857	15
3/1/2021	20,000	3.250%	5,350	25,350	17,882	16
9/1/2021			5,025	5,025	3,468	17
3/1/2022	20,000	3.250%	5,025	25,025	16,899	18
9/1/2022			4,700	4,700	3,105	19
3/1/2023	20,000	3.250%	4,700	24,700	15,968	20
9/1/2023			4,375	4,375	2,767	21
3/1/2024	20,000	3.750%	4,375	24,375	15,085	22
9/1/2024			4,000	4,000	2,422	23
3/1/2025	20,000	3.750%	4,000	24,000	14,219	24
9/1/2025			3,625	3,625	2,101	25
3/1/2026	20,000	3.750%	3,625	23,625	13,399	26
9/1/2026			3,250	3,250	1,803	27
3/1/2027	20,000	3.750%	3,250	23,250	12,623	28
9/1/2027			2,875	2,875	1,527	29
3/1/2028	20,000	3.750%	2,875	22,875	11,890	30
9/1/2028			2,500	2,500	1,271	31
3/1/2029	25,000	4.000%	2,500	27,500	13,683	32
9/1/2029			2,000	2,000	974	33
3/1/2030	25,000	4.000%	2,000	27,000	12,861	34
9/1/2030			1,500	1,500	699	35
3/1/2031	25,000	4.000%	1,500	26,500	12,084	36
9/1/2031			1,000	1,000	446	37
3/1/2032	25,000	4.000%	1,000	26,000	11,350	38
9/1/2032			500	500	214	39
3/1/2033	25,000	4.000%	500	25,500	10,657	40
Totals	\$ 425,000		\$ 169,739	\$ 594,739	\$ 396,899	

Town of Rosepine, Louisiana

Notes to the Financial Statements (Continued)

Calculation of effective interest rate target amount and rate:

Principal amount of new debt		\$	425,000
Original issue discount			(2,825)
Less nonrecoverable costs:			
Underwriter spread	(9,562)		
	<u>(15,714)</u>		<u>(25,276)</u>
Effective interest rate target		\$	<u>396,899</u>
Effective interest rate			4.4104%

Town of Rosepine, Louisiana

Notes to the Financial Statement (Continued)

Table 2
Debt Service Requirements of the Old Debt

Date	Principal	Total Principal	Interest	Debt Service Requirements	Loan Balance	Present Value	
4/30/13	\$ 690	\$ 690	\$ 1,910	\$ 2,600	\$ 407,344	\$ 2,590	1
5/30/13	\$ 694	\$ 1,384	\$ 1,906	\$ 2,600	\$ 406,651	\$ 2,581	2
6/30/13	\$ 697	\$ 2,081	\$ 1,903	\$ 2,600	\$ 405,954	\$ 2,572	3
7/30/13	\$ 700	\$ 2,781	\$ 1,900	\$ 2,600	\$ 405,254	\$ 2,562	4
8/30/13	\$ 703	\$ 3,484	\$ 1,897	\$ 2,600	\$ 404,551	\$ 2,553	5
9/30/13	\$ 707	\$ 4,191	\$ 1,893	\$ 2,600	\$ 403,844	\$ 2,543	6
10/30/13	\$ 710	\$ 4,901	\$ 1,890	\$ 2,600	\$ 403,134	\$ 2,534	7
11/30/13	\$ 713	\$ 5,614	\$ 1,887	\$ 2,600	\$ 402,421	\$ 2,525	8
12/30/13	\$ 717	\$ 6,331	\$ 1,883	\$ 2,600	\$ 401,704	\$ 2,516	9
1/30/14	\$ 720	\$ 7,051	\$ 1,880	\$ 2,600	\$ 400,984	\$ 2,506	10
2/28/14	\$ 723	\$ 7,774	\$ 1,877	\$ 2,600	\$ 400,261	\$ 2,497	11
3/30/14	\$ 727	\$ 8,501	\$ 1,873	\$ 2,600	\$ 399,534	\$ 2,488	12
4/30/14	\$ 730	\$ 9,231	\$ 1,870	\$ 2,600	\$ 398,804	\$ 2,479	13
5/30/14	\$ 734	\$ 9,965	\$ 1,866	\$ 2,600	\$ 398,070	\$ 2,470	14
6/30/14	\$ 737	\$ 10,702	\$ 1,863	\$ 2,600	\$ 397,333	\$ 2,461	15
7/30/14	\$ 740	\$ 11,442	\$ 1,860	\$ 2,600	\$ 396,593	\$ 2,452	16
8/30/14	\$ 744	\$ 12,186	\$ 1,856	\$ 2,600	\$ 395,849	\$ 2,443	17
9/30/14	\$ 747	\$ 12,933	\$ 1,853	\$ 2,600	\$ 395,101	\$ 2,434	18
10/30/14	\$ 751	\$ 13,684	\$ 1,849	\$ 2,600	\$ 394,351	\$ 2,425	19
11/30/14	\$ 754	\$ 14,439	\$ 1,846	\$ 2,600	\$ 393,596	\$ 2,416	20
12/30/14	\$ 758	\$ 15,197	\$ 1,842	\$ 2,600	\$ 392,838	\$ 2,407	21
1/30/15	\$ 761	\$ 15,958	\$ 1,839	\$ 2,600	\$ 392,077	\$ 2,398	22
2/28/15	\$ 765	\$ 16,723	\$ 1,835	\$ 2,600	\$ 391,312	\$ 2,390	23
3/30/15	\$ 769	\$ 17,492	\$ 1,831	\$ 2,600	\$ 390,543	\$ 2,381	24
4/30/15	\$ 772	\$ 18,264	\$ 1,828	\$ 2,600	\$ 389,771	\$ 2,372	25
5/30/15	\$ 776	\$ 19,040	\$ 1,824	\$ 2,600	\$ 388,995	\$ 2,363	26
6/30/15	\$ 779	\$ 19,819	\$ 1,821	\$ 2,600	\$ 388,215	\$ 2,355	27
7/30/15	\$ 783	\$ 20,602	\$ 1,817	\$ 2,600	\$ 387,432	\$ 2,346	28
8/30/15	\$ 787	\$ 21,389	\$ 1,813	\$ 2,600	\$ 386,646	\$ 2,338	29
9/30/15	\$ 790	\$ 22,180	\$ 1,810	\$ 2,600	\$ 385,855	\$ 2,329	30
10/30/15	\$ 794	\$ 22,974	\$ 1,806	\$ 2,600	\$ 385,061	\$ 2,321	31
11/30/15	\$ 798	\$ 23,772	\$ 1,802	\$ 2,600	\$ 384,263	\$ 2,312	32
12/30/15	\$ 802	\$ 24,573	\$ 1,798	\$ 2,600	\$ 383,461	\$ 2,304	33
1/30/16	\$ 805	\$ 25,379	\$ 1,795	\$ 2,600	\$ 382,656	\$ 2,295	34
2/29/16	\$ 809	\$ 26,188	\$ 1,791	\$ 2,600	\$ 381,847	\$ 2,287	35
3/30/16	\$ 813	\$ 27,001	\$ 1,787	\$ 2,600	\$ 381,034	\$ 2,278	36
4/30/16	\$ 817	\$ 27,818	\$ 1,783	\$ 2,600	\$ 380,217	\$ 2,270	37
5/30/16	\$ 821	\$ 28,638	\$ 1,779	\$ 2,600	\$ 379,397	\$ 2,262	38
6/30/16	\$ 824	\$ 29,463	\$ 1,776	\$ 2,600	\$ 378,572	\$ 2,253	39
7/30/16	\$ 828	\$ 30,291	\$ 1,772	\$ 2,600	\$ 377,744	\$ 2,245	40
8/30/16	\$ 832	\$ 31,123	\$ 1,768	\$ 2,600	\$ 376,912	\$ 2,237	41
9/30/16	\$ 836	\$ 31,959	\$ 1,764	\$ 2,600	\$ 376,076	\$ 2,229	42
10/30/16	\$ 840	\$ 32,799	\$ 1,760	\$ 2,600	\$ 375,236	\$ 2,221	43
11/30/16	\$ 844	\$ 33,643	\$ 1,756	\$ 2,600	\$ 374,392	\$ 2,212	44
12/30/16	\$ 848	\$ 34,491	\$ 1,752	\$ 2,600	\$ 373,544	\$ 2,204	45
1/30/17	\$ 852	\$ 35,342	\$ 1,748	\$ 2,600	\$ 372,693	\$ 2,196	46
2/28/17	\$ 856	\$ 36,198	\$ 1,744	\$ 2,600	\$ 371,837	\$ 2,188	47
3/30/17	\$ 860	\$ 37,058	\$ 1,740	\$ 2,600	\$ 370,977	\$ 2,180	48
4/30/17	\$ 864	\$ 37,922	\$ 1,736	\$ 2,600	\$ 370,113	\$ 2,172	49
5/30/17	\$ 868	\$ 38,789	\$ 1,732	\$ 2,600	\$ 369,245	\$ 2,164	50
6/30/17	\$ 872	\$ 39,661	\$ 1,728	\$ 2,600	\$ 368,373	\$ 2,156	51
7/30/17	\$ 876	\$ 40,537	\$ 1,724	\$ 2,600	\$ 367,497	\$ 2,148	52
8/30/17	\$ 880	\$ 41,417	\$ 1,720	\$ 2,600	\$ 366,617	\$ 2,141	53
9/30/17	\$ 884	\$ 42,302	\$ 1,716	\$ 2,600	\$ 365,733	\$ 2,133	54
10/30/17	\$ 888	\$ 43,190	\$ 1,712	\$ 2,600	\$ 364,845	\$ 2,125	55
11/30/17	\$ 892	\$ 44,082	\$ 1,708	\$ 2,600	\$ 363,952	\$ 2,117	56
12/30/17	\$ 897	\$ 44,979	\$ 1,703	\$ 2,600	\$ 363,056	\$ 2,109	57
1/30/18	\$ 901	\$ 45,880	\$ 1,699	\$ 2,600	\$ 362,155	\$ 2,102	58
2/28/18	\$ 905	\$ 46,785	\$ 1,695	\$ 2,600	\$ 361,250	\$ 2,094	59
3/30/18	\$ 909	\$ 47,694	\$ 1,691	\$ 2,600	\$ 360,340	\$ 2,086	60
4/30/18	\$ 914	\$ 48,608	\$ 1,686	\$ 2,600	\$ 359,427	\$ 2,079	61
5/30/18	\$ 918	\$ 49,526	\$ 1,682	\$ 2,600	\$ 358,509	\$ 2,071	62

Town of Rosepine, Louisiana

Notes to the Financial Statement (Continued)

Table 2
Debt Service Requirements of the Old Debt

6/30/18	\$	922	\$	50,448	\$	1,678	\$	2,600	\$	357,587	\$	2,063	63
7/30/18	\$	926	\$	51,374	\$	1,674	\$	2,600	\$	356,660	\$	2,056	64
8/30/18	\$	931	\$	52,305	\$	1,669	\$	2,600	\$	355,730	\$	2,048	65
9/30/18	\$	935	\$	53,240	\$	1,665	\$	2,600	\$	354,794	\$	2,041	66
10/30/18	\$	940	\$	54,180	\$	1,660	\$	2,600	\$	353,855	\$	2,033	67
11/30/18	\$	944	\$	55,124	\$	1,656	\$	2,600	\$	352,911	\$	2,026	68
12/30/18	\$	948	\$	56,072	\$	1,652	\$	2,600	\$	351,963	\$	2,019	69
1/30/19	\$	953	\$	57,025	\$	1,647	\$	2,600	\$	351,010	\$	2,011	70
2/28/19	\$	957	\$	57,982	\$	1,643	\$	2,600	\$	350,053	\$	2,004	71
3/30/19	\$	962	\$	58,944	\$	1,638	\$	2,600	\$	349,091	\$	1,996	72
4/30/19	\$	966	\$	59,910	\$	1,634	\$	2,600	\$	348,125	\$	1,989	73
5/30/19	\$	971	\$	60,881	\$	1,629	\$	2,600	\$	347,154	\$	1,982	74
6/30/19	\$	975	\$	61,856	\$	1,625	\$	2,600	\$	346,179	\$	1,975	75
7/30/19	\$	980	\$	62,836	\$	1,620	\$	2,600	\$	345,199	\$	1,967	76
8/30/19	\$	984	\$	63,821	\$	1,616	\$	2,600	\$	344,214	\$	1,960	77
9/30/19	\$	989	\$	64,810	\$	1,611	\$	2,600	\$	343,225	\$	1,953	78
10/30/19	\$	994	\$	65,803	\$	1,606	\$	2,600	\$	342,232	\$	1,946	79
11/30/19	\$	998	\$	66,802	\$	1,602	\$	2,600	\$	341,233	\$	1,939	80
12/30/19	\$	1,003	\$	67,805	\$	1,597	\$	2,600	\$	340,230	\$	1,932	81
1/30/20	\$	1,008	\$	68,812	\$	1,592	\$	2,600	\$	339,223	\$	1,925	82
2/29/20	\$	1,012	\$	69,825	\$	1,588	\$	2,600	\$	338,210	\$	1,917	83
3/30/20	\$	1,017	\$	70,842	\$	1,583	\$	2,600	\$	337,193	\$	1,910	84
4/30/20	\$	1,022	\$	71,864	\$	1,578	\$	2,600	\$	336,171	\$	1,903	85
5/30/20	\$	1,027	\$	72,890	\$	1,573	\$	2,600	\$	335,144	\$	1,897	86
6/30/20	\$	1,031	\$	73,922	\$	1,569	\$	2,600	\$	334,113	\$	1,890	87
7/30/20	\$	1,036	\$	74,958	\$	1,564	\$	2,600	\$	333,077	\$	1,883	88
8/30/20	\$	1,041	\$	75,999	\$	1,559	\$	2,600	\$	332,035	\$	1,876	89
9/30/20	\$	1,046	\$	77,045	\$	1,554	\$	2,600	\$	330,989	\$	1,869	90
10/30/20	\$	1,051	\$	78,096	\$	1,549	\$	2,600	\$	329,938	\$	1,862	91
11/30/20	\$	1,056	\$	79,152	\$	1,544	\$	2,600	\$	328,883	\$	1,855	92
12/30/20	\$	1,061	\$	80,213	\$	1,539	\$	2,600	\$	327,822	\$	1,848	93
1/30/21	\$	1,066	\$	81,279	\$	1,534	\$	2,600	\$	326,756	\$	1,842	94
2/28/21	\$	1,071	\$	82,350	\$	1,529	\$	2,600	\$	325,685	\$	1,835	95
3/30/21	\$	1,076	\$	83,425	\$	1,524	\$	2,600	\$	324,609	\$	1,828	96
4/30/21	\$	1,081	\$	84,506	\$	1,519	\$	2,600	\$	323,529	\$	1,821	97
5/30/21	\$	1,086	\$	85,592	\$	1,514	\$	2,600	\$	322,443	\$	1,815	98
6/30/21	\$	1,091	\$	86,683	\$	1,509	\$	2,600	\$	321,352	\$	1,808	99
7/30/21	\$	1,096	\$	87,779	\$	1,504	\$	2,600	\$	320,256	\$	1,802	100
8/30/21	\$	1,101	\$	88,880	\$	1,499	\$	2,600	\$	319,155	\$	1,795	101
9/30/21	\$	1,106	\$	89,987	\$	1,494	\$	2,600	\$	318,048	\$	1,788	102
10/30/21	\$	1,112	\$	91,098	\$	1,488	\$	2,600	\$	316,937	\$	1,782	103
11/30/21	\$	1,117	\$	92,215	\$	1,483	\$	2,600	\$	315,820	\$	1,775	104
12/30/21	\$	1,122	\$	93,337	\$	1,478	\$	2,600	\$	314,698	\$	1,769	105
1/30/22	\$	1,127	\$	94,464	\$	1,473	\$	2,600	\$	313,571	\$	1,762	106
2/28/22	\$	1,132	\$	95,596	\$	1,468	\$	2,600	\$	312,438	\$	1,756	107
3/30/22	\$	1,138	\$	96,734	\$	1,462	\$	2,600	\$	311,301	\$	1,749	108
4/30/22	\$	1,143	\$	97,877	\$	1,457	\$	2,600	\$	310,158	\$	1,743	109
5/30/22	\$	1,148	\$	99,026	\$	1,452	\$	2,600	\$	309,009	\$	1,737	110
6/30/22	\$	1,154	\$	100,179	\$	1,446	\$	2,600	\$	307,855	\$	1,730	111
7/30/22	\$	1,159	\$	101,339	\$	1,441	\$	2,600	\$	306,696	\$	1,724	112
8/30/22	\$	1,165	\$	102,503	\$	1,435	\$	2,600	\$	305,532	\$	1,718	113
9/30/22	\$	1,170	\$	103,673	\$	1,430	\$	2,600	\$	304,361	\$	1,711	114
10/30/22	\$	1,176	\$	104,849	\$	1,424	\$	2,600	\$	303,186	\$	1,705	115
11/30/22	\$	1,181	\$	106,030	\$	1,419	\$	2,600	\$	302,005	\$	1,699	116
12/30/22	\$	1,187	\$	107,217	\$	1,413	\$	2,600	\$	300,818	\$	1,693	117
1/30/23	\$	1,192	\$	108,409	\$	1,408	\$	2,600	\$	299,626	\$	1,686	118
2/28/23	\$	1,198	\$	109,606	\$	1,402	\$	2,600	\$	298,428	\$	1,680	119
3/30/23	\$	1,203	\$	110,810	\$	1,397	\$	2,600	\$	297,225	\$	1,674	120
4/30/23	\$	1,209	\$	112,019	\$	1,391	\$	2,600	\$	296,016	\$	1,668	121
5/30/23	\$	1,215	\$	113,233	\$	1,385	\$	2,600	\$	294,801	\$	1,662	122
6/30/23	\$	1,220	\$	114,454	\$	1,380	\$	2,600	\$	293,581	\$	1,656	123
7/30/23	\$	1,226	\$	115,680	\$	1,374	\$	2,600	\$	292,355	\$	1,650	124
8/30/23	\$	1,232	\$	116,911	\$	1,368	\$	2,600	\$	291,123	\$	1,644	125
9/30/23	\$	1,238	\$	118,149	\$	1,362	\$	2,600	\$	289,886	\$	1,638	126
10/30/23	\$	1,243	\$	119,392	\$	1,357	\$	2,600	\$	288,643	\$	1,632	127
11/30/23	\$	1,249	\$	120,641	\$	1,351	\$	2,600	\$	287,393	\$	1,626	128

Town of Rosepine, Louisiana

Notes to the Financial Statement (Continued)

Table 2
Debt Service Requirements of the Old Debt

12/30/23	\$	1,255	\$	121,896	\$	1,345	\$	2,600	\$	286,138	\$	1,620	129
1/30/24	\$	1,261	\$	123,157	\$	1,339	\$	2,600	\$	284,878	\$	1,614	130
2/29/24	\$	1,267	\$	124,424	\$	1,333	\$	2,600	\$	283,611	\$	1,608	131
3/30/24	\$	1,273	\$	125,697	\$	1,327	\$	2,600	\$	282,338	\$	1,602	132
4/30/24	\$	1,279	\$	126,975	\$	1,321	\$	2,600	\$	281,060	\$	1,596	133
5/30/24	\$	1,285	\$	128,260	\$	1,315	\$	2,600	\$	279,775	\$	1,590	134
6/30/24	\$	1,291	\$	129,551	\$	1,309	\$	2,600	\$	278,484	\$	1,584	135
7/30/24	\$	1,297	\$	130,847	\$	1,303	\$	2,600	\$	277,188	\$	1,579	136
8/30/24	\$	1,303	\$	132,150	\$	1,297	\$	2,600	\$	275,885	\$	1,573	137
9/30/24	\$	1,309	\$	133,459	\$	1,291	\$	2,600	\$	274,576	\$	1,567	138
10/30/24	\$	1,315	\$	134,774	\$	1,285	\$	2,600	\$	273,261	\$	1,561	139
11/30/24	\$	1,321	\$	136,095	\$	1,279	\$	2,600	\$	271,940	\$	1,556	140
12/30/24	\$	1,327	\$	137,422	\$	1,273	\$	2,600	\$	270,613	\$	1,550	141
1/30/25	\$	1,334	\$	138,756	\$	1,266	\$	2,600	\$	269,279	\$	1,544	142
2/28/25	\$	1,340	\$	140,095	\$	1,260	\$	2,600	\$	267,939	\$	1,539	143
3/30/25	\$	1,346	\$	141,441	\$	1,254	\$	2,600	\$	266,593	\$	1,533	144
4/30/25	\$	1,352	\$	142,794	\$	1,248	\$	2,600	\$	265,241	\$	1,527	145
5/30/25	\$	1,359	\$	144,152	\$	1,241	\$	2,600	\$	263,882	\$	1,522	146
6/30/25	\$	1,365	\$	145,517	\$	1,235	\$	2,600	\$	262,517	\$	1,516	147
7/30/25	\$	1,371	\$	146,889	\$	1,229	\$	2,600	\$	261,146	\$	1,511	148
8/30/25	\$	1,378	\$	148,267	\$	1,222	\$	2,600	\$	259,768	\$	1,505	149
9/30/25	\$	1,384	\$	149,651	\$	1,216	\$	2,600	\$	258,384	\$	1,500	150
10/30/25	\$	1,391	\$	151,042	\$	1,209	\$	2,600	\$	256,993	\$	1,494	151
11/30/25	\$	1,397	\$	152,439	\$	1,203	\$	2,600	\$	255,596	\$	1,489	152
12/30/25	\$	1,404	\$	153,843	\$	1,196	\$	2,600	\$	254,192	\$	1,483	153
1/30/26	\$	1,410	\$	155,253	\$	1,190	\$	2,600	\$	252,782	\$	1,478	154
2/28/26	\$	1,417	\$	156,670	\$	1,183	\$	2,600	\$	251,365	\$	1,472	155
3/30/26	\$	1,424	\$	158,094	\$	1,176	\$	2,600	\$	249,941	\$	1,467	156
4/30/26	\$	1,430	\$	159,524	\$	1,170	\$	2,600	\$	248,511	\$	1,462	157
5/30/26	\$	1,437	\$	160,961	\$	1,163	\$	2,600	\$	247,074	\$	1,456	158
6/30/26	\$	1,444	\$	162,404	\$	1,156	\$	2,600	\$	245,630	\$	1,451	159
7/30/26	\$	1,450	\$	163,855	\$	1,150	\$	2,600	\$	244,180	\$	1,446	160
8/30/26	\$	1,457	\$	165,312	\$	1,143	\$	2,600	\$	242,723	\$	1,440	161
9/30/26	\$	1,464	\$	166,776	\$	1,136	\$	2,600	\$	241,259	\$	1,435	162
10/30/26	\$	1,471	\$	168,247	\$	1,129	\$	2,600	\$	239,788	\$	1,430	163
11/30/26	\$	1,478	\$	169,725	\$	1,122	\$	2,600	\$	238,310	\$	1,425	164
12/30/26	\$	1,485	\$	171,209	\$	1,115	\$	2,600	\$	236,825	\$	1,419	165
1/30/27	\$	1,492	\$	172,701	\$	1,108	\$	2,600	\$	235,334	\$	1,414	166
2/28/27	\$	1,499	\$	174,200	\$	1,101	\$	2,600	\$	233,835	\$	1,409	167
3/30/27	\$	1,506	\$	175,705	\$	1,094	\$	2,600	\$	232,329	\$	1,404	168
4/30/27	\$	1,513	\$	177,218	\$	1,087	\$	2,600	\$	230,817	\$	1,399	169
5/30/27	\$	1,520	\$	178,738	\$	1,080	\$	2,600	\$	229,297	\$	1,394	170
6/30/27	\$	1,527	\$	180,265	\$	1,073	\$	2,600	\$	227,770	\$	1,388	171
7/30/27	\$	1,534	\$	181,799	\$	1,066	\$	2,600	\$	226,236	\$	1,383	172
8/30/27	\$	1,541	\$	183,340	\$	1,059	\$	2,600	\$	224,695	\$	1,378	173
9/30/27	\$	1,548	\$	184,888	\$	1,052	\$	2,600	\$	223,147	\$	1,373	174
10/30/27	\$	1,556	\$	186,444	\$	1,044	\$	2,600	\$	221,591	\$	1,368	175
11/30/27	\$	1,563	\$	188,007	\$	1,037	\$	2,600	\$	220,028	\$	1,363	176
12/30/27	\$	1,570	\$	189,577	\$	1,030	\$	2,600	\$	218,458	\$	1,358	177
1/30/28	\$	1,578	\$	191,155	\$	1,022	\$	2,600	\$	216,880	\$	1,353	178
2/29/28	\$	1,585	\$	192,740	\$	1,015	\$	2,600	\$	215,295	\$	1,348	179
3/30/28	\$	1,592	\$	194,332	\$	1,008	\$	2,600	\$	213,703	\$	1,343	180
4/30/28	\$	1,600	\$	195,932	\$	1,000	\$	2,600	\$	212,103	\$	1,338	181
5/30/28	\$	1,607	\$	197,539	\$	993	\$	2,600	\$	210,496	\$	1,334	182
6/30/28	\$	1,615	\$	199,154	\$	985	\$	2,600	\$	208,881	\$	1,329	183
7/30/28	\$	1,622	\$	200,777	\$	978	\$	2,600	\$	207,258	\$	1,324	184
8/30/28	\$	1,630	\$	202,407	\$	970	\$	2,600	\$	205,628	\$	1,319	185
9/30/28	\$	1,638	\$	204,044	\$	962	\$	2,600	\$	203,991	\$	1,314	186
10/30/28	\$	1,645	\$	205,690	\$	955	\$	2,600	\$	202,345	\$	1,309	187
11/30/28	\$	1,653	\$	207,343	\$	947	\$	2,600	\$	200,692	\$	1,304	188
12/30/28	\$	1,661	\$	209,003	\$	939	\$	2,600	\$	199,032	\$	1,300	189
1/30/29	\$	1,669	\$	210,672	\$	931	\$	2,600	\$	197,363	\$	1,295	190
2/28/29	\$	1,676	\$	212,348	\$	924	\$	2,600	\$	195,687	\$	1,290	191
3/30/29	\$	1,684	\$	214,032	\$	916	\$	2,600	\$	194,002	\$	1,285	192
4/30/29	\$	1,692	\$	215,724	\$	908	\$	2,600	\$	192,310	\$	1,281	193
5/30/29	\$	1,700	\$	217,424	\$	900	\$	2,600	\$	190,610	\$	1,276	194

Town of Rosepine, Louisiana

Notes to the Financial Statement (Continued)

Table 2
Debt Service Requirements of the Old Debt

6/30/29	\$	1,708	\$	219,132	\$	892	\$	2,600	\$	188,903	\$	1,271	195
7/30/29	\$	1,716	\$	220,848	\$	884	\$	2,600	\$	187,187	\$	1,267	196
8/30/29	\$	1,724	\$	222,572	\$	876	\$	2,600	\$	185,463	\$	1,262	197
9/30/29	\$	1,732	\$	224,304	\$	868	\$	2,600	\$	183,731	\$	1,258	198
10/30/29	\$	1,740	\$	226,044	\$	860	\$	2,600	\$	181,991	\$	1,253	199
11/30/29	\$	1,748	\$	227,793	\$	852	\$	2,600	\$	180,242	\$	1,248	200
12/30/29	\$	1,756	\$	229,549	\$	844	\$	2,600	\$	178,486	\$	1,244	201
1/30/30	\$	1,765	\$	231,314	\$	835	\$	2,600	\$	176,721	\$	1,239	202
2/28/30	\$	1,773	\$	233,087	\$	827	\$	2,600	\$	174,948	\$	1,235	203
3/30/30	\$	1,781	\$	234,868	\$	819	\$	2,600	\$	173,167	\$	1,230	204
4/30/30	\$	1,790	\$	236,657	\$	810	\$	2,600	\$	171,377	\$	1,226	205
5/30/30	\$	1,798	\$	238,455	\$	802	\$	2,600	\$	169,579	\$	1,221	206
6/30/30	\$	1,806	\$	240,262	\$	794	\$	2,600	\$	167,773	\$	1,217	207
7/30/30	\$	1,815	\$	242,077	\$	785	\$	2,600	\$	165,958	\$	1,212	208
8/30/30	\$	1,823	\$	243,900	\$	777	\$	2,600	\$	164,135	\$	1,208	209
9/30/30	\$	1,832	\$	245,732	\$	768	\$	2,600	\$	162,303	\$	1,203	210
10/30/30	\$	1,840	\$	247,572	\$	760	\$	2,600	\$	160,463	\$	1,199	211
11/30/30	\$	1,849	\$	249,421	\$	751	\$	2,600	\$	158,614	\$	1,195	212
12/30/30	\$	1,858	\$	251,279	\$	742	\$	2,600	\$	156,756	\$	1,190	213
1/30/31	\$	1,866	\$	253,145	\$	734	\$	2,600	\$	154,890	\$	1,186	214
2/28/31	\$	1,875	\$	255,020	\$	725	\$	2,600	\$	153,015	\$	1,181	215
3/30/31	\$	1,884	\$	256,904	\$	716	\$	2,600	\$	151,131	\$	1,177	216
4/30/31	\$	1,893	\$	258,797	\$	707	\$	2,600	\$	149,238	\$	1,173	217
5/30/31	\$	1,902	\$	260,698	\$	698	\$	2,600	\$	147,336	\$	1,169	218
6/30/31	\$	1,910	\$	262,609	\$	690	\$	2,600	\$	145,426	\$	1,164	219
7/30/31	\$	1,919	\$	264,528	\$	681	\$	2,600	\$	143,507	\$	1,160	220
8/30/31	\$	1,928	\$	266,457	\$	672	\$	2,600	\$	141,578	\$	1,156	221
9/30/31	\$	1,937	\$	268,394	\$	663	\$	2,600	\$	139,641	\$	1,152	222
10/30/31	\$	1,946	\$	270,340	\$	654	\$	2,600	\$	137,694	\$	1,147	223
11/30/31	\$	1,956	\$	272,296	\$	644	\$	2,600	\$	135,739	\$	1,143	224
12/30/31	\$	1,965	\$	274,261	\$	635	\$	2,600	\$	133,774	\$	1,139	225
1/30/32	\$	1,974	\$	276,235	\$	626	\$	2,600	\$	131,800	\$	1,135	226
2/29/32	\$	1,983	\$	278,218	\$	617	\$	2,600	\$	129,817	\$	1,131	227
3/30/32	\$	1,992	\$	280,210	\$	608	\$	2,600	\$	127,825	\$	1,126	228
4/30/32	\$	2,002	\$	282,212	\$	598	\$	2,600	\$	125,823	\$	1,122	229
5/30/32	\$	2,011	\$	284,223	\$	589	\$	2,600	\$	123,812	\$	1,118	230
6/30/32	\$	2,021	\$	286,244	\$	579	\$	2,600	\$	121,791	\$	1,114	231
7/30/32	\$	2,030	\$	288,274	\$	570	\$	2,600	\$	119,761	\$	1,110	232
8/30/32	\$	2,040	\$	290,313	\$	560	\$	2,600	\$	117,722	\$	1,106	233
9/30/32	\$	2,049	\$	292,362	\$	551	\$	2,600	\$	115,673	\$	1,102	234
10/30/32	\$	2,059	\$	294,421	\$	541	\$	2,600	\$	113,614	\$	1,098	235
11/30/32	\$	2,068	\$	296,489	\$	532	\$	2,600	\$	111,546	\$	1,094	236
12/30/32	\$	2,078	\$	298,567	\$	522	\$	2,600	\$	109,468	\$	1,090	237
1/30/33	\$	2,088	\$	300,655	\$	512	\$	2,600	\$	107,380	\$	1,086	238
2/28/33	\$	2,097	\$	302,752	\$	503	\$	2,600	\$	105,282	\$	1,082	239
3/30/33	\$	2,107	\$	304,860	\$	493	\$	2,600	\$	103,175	\$	1,078	240
4/30/33	\$	2,117	\$	306,977	\$	483	\$	2,600	\$	101,058	\$	1,074	241
5/30/33	\$	2,127	\$	309,104	\$	473	\$	2,600	\$	98,931	\$	1,070	242
6/30/33	\$	2,137	\$	311,241	\$	463	\$	2,600	\$	96,794	\$	1,066	243
7/30/33	\$	2,147	\$	313,388	\$	453	\$	2,600	\$	94,647	\$	1,062	244
8/30/33	\$	2,157	\$	315,545	\$	443	\$	2,600	\$	92,490	\$	1,058	245
9/30/33	\$	2,167	\$	317,712	\$	433	\$	2,600	\$	90,323	\$	1,054	246
10/30/33	\$	2,177	\$	319,889	\$	423	\$	2,600	\$	88,146	\$	1,051	247
11/30/33	\$	2,187	\$	322,077	\$	413	\$	2,600	\$	85,958	\$	1,047	248
12/30/33	\$	2,198	\$	324,274	\$	402	\$	2,600	\$	83,760	\$	1,043	249
1/30/34	\$	2,208	\$	326,482	\$	392	\$	2,600	\$	81,552	\$	1,039	250
2/28/34	\$	2,218	\$	328,701	\$	382	\$	2,600	\$	79,334	\$	1,035	251
3/30/34	\$	2,229	\$	330,929	\$	371	\$	2,600	\$	77,105	\$	1,032	252
4/30/34	\$	2,239	\$	333,169	\$	361	\$	2,600	\$	74,866	\$	1,028	253
5/30/34	\$	2,250	\$	335,418	\$	350	\$	2,600	\$	72,617	\$	1,024	254
6/30/34	\$	2,260	\$	337,678	\$	340	\$	2,600	\$	70,356	\$	1,020	255
7/30/34	\$	2,271	\$	339,949	\$	329	\$	2,600	\$	68,086	\$	1,016	256
8/30/34	\$	2,281	\$	342,230	\$	319	\$	2,600	\$	65,804	\$	1,013	257
9/30/34	\$	2,292	\$	344,522	\$	308	\$	2,600	\$	63,512	\$	1,009	258
10/30/34	\$	2,303	\$	346,825	\$	297	\$	2,600	\$	61,210	\$	1,005	259
11/30/34	\$	2,314	\$	349,139	\$	286	\$	2,600	\$	58,896	\$	1,002	260

Town of Rosepine, Louisiana

Notes to the Financial Statement (Continued)

Table 2
Debt Service Requirements of the Old Debt

12/30/34	\$	2,324	\$	351,463	\$	276	\$	2,600	\$	56,572	\$	998	261
1/30/35	\$	2,335	\$	353,798	\$	265	\$	2,600	\$	54,236	\$	994	262
2/28/35	\$	2,346	\$	356,145	\$	254	\$	2,600	\$	51,890	\$	991	263
3/30/35	\$	2,357	\$	358,502	\$	243	\$	2,600	\$	49,533	\$	987	264
4/30/35	\$	2,368	\$	360,870	\$	232	\$	2,600	\$	47,165	\$	983	265
5/30/35	\$	2,379	\$	363,249	\$	221	\$	2,600	\$	44,786	\$	980	266
6/30/35	\$	2,390	\$	365,640	\$	210	\$	2,600	\$	42,395	\$	976	267
7/30/35	\$	2,402	\$	368,041	\$	198	\$	2,600	\$	39,994	\$	973	268
8/30/35	\$	2,413	\$	370,454	\$	187	\$	2,600	\$	37,581	\$	969	269
9/30/35	\$	2,424	\$	372,878	\$	176	\$	2,600	\$	35,157	\$	966	270
10/30/35	\$	2,435	\$	375,314	\$	165	\$	2,600	\$	32,721	\$	962	271
11/30/35	\$	2,447	\$	377,760	\$	153	\$	2,600	\$	30,274	\$	959	272
12/30/35	\$	2,458	\$	380,219	\$	142	\$	2,600	\$	27,816	\$	955	273
1/30/36	\$	2,470	\$	382,689	\$	130	\$	2,600	\$	25,346	\$	952	274
2/29/36	\$	2,481	\$	385,170	\$	119	\$	2,600	\$	22,865	\$	948	275
3/30/36	\$	2,493	\$	387,663	\$	107	\$	2,600	\$	20,372	\$	945	276
4/30/36	\$	2,505	\$	390,168	\$	95	\$	2,600	\$	17,867	\$	941	277
5/30/36	\$	2,516	\$	392,684	\$	84	\$	2,600	\$	15,351	\$	938	278
6/30/36	\$	2,528	\$	395,212	\$	72	\$	2,600	\$	12,823	\$	934	279
7/30/36	\$	2,540	\$	397,752	\$	60	\$	2,600	\$	10,283	\$	931	280
8/30/36	\$	2,552	\$	400,304	\$	48	\$	2,600	\$	7,731	\$	927	281
9/30/36	\$	2,564	\$	402,868	\$	36	\$	2,600	\$	5,167	\$	924	282
10/30/36	\$	2,576	\$	405,444	\$	24	\$	2,600	\$	2,588	\$	921	283
11/30/36	\$	2,588	\$	408,031	\$	12	\$	2,600	\$	0	\$	917	284
Totals	\$	408,031			\$	330,369	\$	738,400			\$	457,848	

Notes to the Financial Statements (Continued)

Table 3
Calculation of Difference in Cash Flow Requirements and
Economic Gain

Cash Flow Difference

Old debt service cash flows		\$ 738,400
New debt service cash flows	\$ (594,739)	
Plus Towns contribution from sinking fund resources	<u>(34,147)</u>	<u>(628,886)</u>
		<u>\$ 109,514</u>

Economic Gain

Present value of old debt service cash flows		\$ 457,848
Present value of new debt service cash flows	\$ (396,899)	
Plus Towns contribution from sinking fund resources	<u>(34,147)</u>	<u>(431,046)</u>
		<u>\$ 26,802</u>

Notes to the Financial Statements (Continued)

11. RESTRICTED NET POSITION/FUND BALANCES

The Proprietary Fund – The Utility Fund had restricted net position available as follows:

Restricted assets:		
Reserve fund	\$	61,714
Sinking fund		25,594
Grants receivable		32,293
Total	\$	<u>119,601</u>
Less:		
Liabilities payable from restricted assets:		
Current portion of bond	\$	40,000
Accrued interest		8,442
Contracts payable		32,293
Total	\$	<u>80,735</u>
Restricted net position	\$	<u>38,866</u>

The Governmental Funds – The General Fund and Sales Tax Fund had restricted fund balances available as follows:

	General Fund	Sales Tax Fund	Total
Restricted Assets:			
Sinking funds	\$ 9,735	\$ -	\$ 9,735
Sales tax deposits	-	58,114	58,114
Sales tax receivable	-	16,858	16,858
Total	<u>\$ 9,735</u>	<u>\$ 74,972</u>	<u>\$ 84,707</u>
Less:			
Liabilities payable from restricted assets:			
Accounts payable	<u>\$ -</u>	<u>\$ 189</u>	<u>\$ 189</u>
Restricted fund balances	<u>\$ 9,735</u>	<u>\$ 74,783</u>	<u>\$ 84,518</u>

12. RETIREMENT SYSTEMS

Substantially all employees of the Town of Rosepine are members of the following statewide retirement systems: Municipal Employees Retirement System of Louisiana and Municipal Police Employees Retirement System of Louisiana. These systems are cost sharing, multiple-employer defined benefit pension plans administered by separate boards of trustees. Pertinent information relative to each plan follows:

A. Municipal Employees Retirement System of Louisiana (System)

Plan Description. The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the municipality are members of Plan B.

Notes to the Financial Statements (Concluded)

All permanent employees working at least 35 hours per week who are not covered by another pension plan and are paid wholly or in part from municipal funds and all elected municipal officials are eligible to participate in the System. Under Plan B, employees who retire at or after age 60 with at least 10 years of creditable service at or after age 55 with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life equal to 2% of their final-average monthly salary in excess of \$100 for each year of creditable service. Furthermore, employees with at least 10 years of creditable service, but less than 30 years, may take early retirement benefits commencing at or after age 60, with the basic benefit reduced 3% for each year retirement precedes age 62, unless he has at least 30 years of creditable service. In any case, monthly retirement benefits paid under Plan B cannot exceed 100% of final-average salary. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The system issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Employees Retirement System of Louisiana, 7937 Office Park Boulevard, Baton Rouge, Louisiana 70809, or by calling (225) 925-4810.

Funding Policy. Under Plan B, members are required by state statute to contribute 5.00% of their annual covered salary and the Town of Rosepine is required to contribute at an actuarially determined rate. The current rate is 8.00% of annual covered payroll. Contributions to the System also include one-fourth of 1% (except Orleans and East Baton Rouge parishes) of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the Town of Rosepine are established and may be amended by state statute. As provided by R.S. 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Town of Rosepine's contributions to the System under Plan B for the years ending June 30, 2013, 2012 and 2011, were \$13,090, \$13,432, and \$13,491, respectively, equal to the required contributions for each year.

B. Municipal Police Employees Retirement System of Louisiana (System)

Plan Description. All full-time police department employees engaged in law enforcement are required to participate in the System. Employees who retire at or after age 50 with at least 20 years of creditable service or after age 55 with at least 12 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 1/3% of their final-average salary for each year of creditable service. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Police Employees Retirement System of Louisiana, 8401 United Plaza Boulevard, Baton Rouge, Louisiana 70809-2250, by calling (225) 929-7411.

Funding Policy. Plan members are required by state statute to contribute 10.00% of their annual covered salary and the Town of Rosepine is required to contribute at an actuarially determined rate. The current rate is 31.00% of annual covered payroll. The contribution requirements of plan members and the Town of Rosepine are established and may be amended by state statute. As provided by R.S. 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Town of Rosepine's contributions to the System for the years ending June 30, 2013, 2012 and 2011 were \$19,166, \$15,875, and \$15,269, respectively, equal to the required contributions for each year.

REQUIRED SUPPLEMENTAL INFORMATION

General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
For the Year Ended June 30, 2013

	Budgeted Amounts		Actual Amount	Budget to GAAP	Actual Amount
	Original	Final	Budgetary Basis	differences over (under)	GAAP Basis
Revenues					
Taxes:					
Ad valorem	\$ 25,000	\$ 25,000	\$ 23,983	\$ (1,017)	\$ 23,983
Insurance premium tax	21,000	28,000	28,672	672	28,672
Franchise tax	69,000	69,000	68,852	(148)	68,852
Hotel/motel tax	19,000	30,000	30,145	145	30,145
Intergovernmental:					
Federal grants	-	2,500	42	(2,458)	42
State grants	-	3,000	1,197	(1,803)	1,197
Occupational licenses and permits	21,500	21,500	21,370	(130)	21,370
Investment income	400	400	298	(102)	298
Fines, forfeitures and court costs	183,000	175,000	183,402	8,402	183,402
Other revenue	9,500	20,000	944	(19,056)	944
Total revenues	\$ 348,400	\$ 374,400	\$ 358,905	\$ (15,495)	\$ 358,905
Expenditures					
Current operating:					
General government	\$ 175,100	\$ 177,300	\$ 151,802	\$ 25,498	\$ 151,802
Public safety	188,100	212,300	213,650	(1,350)	213,650
Public works	51,000	46,100	47,598	(1,498)	47,598
Debt service:					
Principal	48,195	47,924	46,132	1,792	46,132
Interest	10,868	11,387	11,304	83	11,304
Capital outlay	14,000	21,200	21,268	(68)	21,268
Total expenditures	\$ 487,263	\$ 516,211	\$ 491,754	\$ 24,457	\$ 491,754

(Continued)

General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
For the Year Ended June 30, 2013

	Budgeted Amounts		Actual Amount	Budget to GAAP	Actual Amount
	Original	Final	Budgetary Basis	differences over (under)	GAAP Basis
Excess (deficiency) of revenues over expenditures	\$ (138,863)	\$ (141,811)	\$ (132,849)	\$ 8,962	\$ (132,849)
Other financing sources (uses):					
Transfers in	\$ 162,000	\$ 118,000	\$ 108,194	\$ (9,806)	\$ 108,194
Sale of assets	-	-	4,212	4,212	4,212
Total other financing sources (uses):	\$ 162,000	\$ 118,000	\$ 112,406	\$ (5,594)	\$ 112,406
Net change in fund balance	\$ 23,137	\$ (23,811)	\$ (20,443)	\$ 3,368	\$ (20,443)
Fund balances at beginning of year	60,000	80,687	80,687	-	80,687
Fund balances at end of year	\$ 83,137	\$ 56,876	\$ 60,244	\$ 3,368	\$ 60,244
					(Concluded)

Special Revenue Fund
Sales Tax Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
For the Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Budget to GAAP	Actual Amount
	Original	Final	Budgetary Basis	differences over (under)	GAAP Basis
Revenues					
Taxes:					
Sales	\$ 140,250	\$ 150,000	\$ 153,383	\$ 3,383	\$ 153,383
Investment income	-	-	181	181	181
Total revenues	\$ 140,250	\$ 150,000	\$ 153,564	\$ 3,564	\$ 153,564
Expenditures					
General government and administration	\$ 2,104	\$ 3,000	\$ 3,248	\$ (248)	\$ 3,248
Excess (deficiency) of revenues over expenditures	\$ 138,146	\$ 147,000	\$ 150,316	\$ 3,316	\$ 150,316
Other financing sources:					
Transfer out	\$ (138,146)	\$ (161,000)	\$ (163,825)	\$ (2,825)	\$ (163,825)
Net change in fund balance	\$ -	\$ (14,000)	\$ (13,509)	\$ 491	\$ (13,509)
Fund balances at beginning of year	70,000	88,292	88,292	-	88,292
Fund balances at end of year	\$ 70,000	\$ 74,292	\$ 74,783	\$ 491	\$ 74,783

OTHER SUPPLEMENTAL SCHEDULES

Schedule of Per Diem Paid to Board Members
Year Ended June 30, 2013

<u>Board Member</u>	<u>Total Paid</u>
Jeff Solinsky	\$ 1,200
James Cryer	1,200
Billy Owens	1,200
Judy Green	1,200
Dennis Craft	1,200
	<u>\$ 6,000</u>

OTHER REPORTS

Schedule of Prior Year Audit Findings
Year Ended June 30, 2013

There were no prior year audit findings reported as of June 30, 2012.

Schedule of Current Year Audit Findings and Management's Response
Year Ended June 30, 2013

There were no current year audit findings reported as of June 30, 2013

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John A. Windham, CPA
Charles M. Reed Jr., CPA

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

The Honorable Donna Duval, Mayor
and Members of the Board of Aldermen
Town of Rosepine
State of Louisiana

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, and each major fund of Town of Rosepine, Louisiana as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise Town of Rosepine, Louisiana's basic financial statements, and have issued my report thereon dated October 2, 2013.

Internal Control over Financial Reporting

In planning and performing my audit of the financial statements, I considered Town of Rosepine, Louisiana's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Town of Rosepine, Louisiana's internal control. Accordingly, I do not express an opinion on the effectiveness of Town of Rosepine, Louisiana's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Town of Rosepine, Louisiana's financial statements are free from material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The Honorable Donna Duval, Mayor
and Members of the Board of Aldermen
Town of Rosepine, Louisiana
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Purpose of this Report

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "John A. Windham, CPA". The signature is written in a cursive, flowing style.

DeRidder, Louisiana
October 2, 2013